

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-99304; File No. SR-FINRA-2023-010)

January 9, 2024

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Designation of a Longer Period for Commission Action on Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change to Provide Relief Relating to Specified Option Transactions under FINRA Rule 4210 (Margin Requirements)

On June 30, 2023, the Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”), pursuant to Section 19(b)(1) of the Securities and Exchange Act of 1934 (“Exchange Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to amend FINRA Rule 4210 (Margin Requirements) to provide margin relief for specified index option transactions, known as “protected options,” and to make other minor conforming revisions with regard to the margin relief. The proposed rule change was published for comment in the Federal Register on July 19, 2023.³

On August 31, 2023, FINRA extended the time period in which the Commission must approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to approve or disapprove the proposed rule change to October 17, 2023.⁴ On September 28, 2023, the Commission instituted proceedings to determine whether to approve or disapprove the proposed rule change.⁵

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Exchange Act Release No. 97898 (Jul. 13, 2023), 88 FR 46204.

⁴ See Letter from Adam Arkel, Associate General Counsel, FINRA, to Sheila Swartz, Division of Trading and Markets, Commission (Aug. 31, 2023).

⁵ See Exchange Act Release No. 34-98628 (Sep. 28, 2023), 88 FR 68855 (Oct. 4, 2023). All comments received on the proposed rule change are available at <https://www.sec.gov/comments/sr-finra-2023-010/srfinra2023010.htm>.

Section 19(b)(2) of the Exchange Act⁶ provides that, after initiating proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of filing of the proposed rule change. The Commission may extend the period for issuing an order approving or disapproving the proposed rule change, however, by not more than 60 days if the Commission determines that a longer period is appropriate and publishes reasons for such determination. The proposed rule change was published for notice and comment in the Federal Register on July 19, 2023.⁷ The 180th day after publication of the proposed rule change is January 15, 2024. The Commission is extending the time period for approving or disapproving the proposed rule change for an additional 60 days.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to consider the proposed rule change and the issues raised therein. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Exchange Act,⁸ designates March 15, 2024, as the date by which the Commission shall either approve or disapprove the proposed rule change (File No. SR-FINRA-2023-010).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Sherry R. Haywood,

Assistant Secretary.

⁶ 15 U.S.C. 78s(b)(2).

⁷ See supra note 3 and accompanying text.

⁸ 15 U.S.C. 78s(b)(2).

⁹ 17 CFR 200.30-3(a)(57).